

Expedited Bill No. 5-10  
Concerning: Economic Development -  
Biotechnology Credit - County  
Supplement  
Revised: 3-10-10 Draft No. 2  
Introduced: February 2, 2010  
Enacted: March 16, 2010  
Executive: March 26, 2010  
Effective: March 26, 2010  
Sunset Date: None  
Ch. 9, Laws of Mont. Co. 2010

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Councilmember Knapp, Council Vice President Ervin, Councilmember Leventhal,  
Council President Floreen, Councilmember Trachtenberg and Councilmember Navarro

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### AN EXPEDITED ACT to:

- (1) authorize the County to supplement the state biotechnology investment incentive tax credit; and
- (2) generally amend the law governing County financial incentives for investment in certain businesses.

By adding

Montgomery County Code  
Chapter 20, Finance  
Section 20-76A

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

1       **Sec. 1. Section 20-76A is inserted as follows:**

2       **20-76A.     Biotechnology investment incentive tax credit supplement.**

3       (a)   The Director of Finance must pay, subject to appropriation, a  
4           Biotechnology Investment Incentive Tax Credit Supplement to each  
5           applicant who meets certain eligibility standards.

6       (b)   An applicant, who need not be a County resident, is eligible to receive  
7           the Supplement if:

8           (1)   the applicant has been designated as a qualified investor under  
9               state law and has received a final tax credit certificate for the  
10            Maryland biotechnology investment incentive tax credit for the  
11            year in which the Supplement is claimed; and

12          (2)   the tax credit received by the applicant was generated by an  
13            investment in a qualified Maryland biotechnology company, as  
14            defined in state law, that has its headquarters and base of  
15            operations in the County.

16       (c)   The County Executive, by regulations issued under Method (1), may  
17            impose other eligibility standards. However, those standards must not  
18            make any person ineligible to receive the Supplement who would be  
19            eligible under subsection (b).

20       (d)   The Supplement paid to each recipient must equal 50% of any tax credit  
21            the recipient receives from the State biotechnology investment incentive  
22            tax credit program, or a lower percentage, set in the annual operating  
23            budget resolution, which reflects the relative proportions of the  
24            respective annual appropriations for the state tax credit and the County  
25            supplement.

26       (e)   The Director must require each eligible person to submit an application  
27            for the Supplement and may take any other action necessary to

28 administer the Supplement. The Executive may issue regulations under  
 29 Method (1) to specify an application process and otherwise implement  
 30 this Section.

31 (f) If the Comptroller of the Treasury agrees, the Director may arrange for  
 32 the Comptroller to pay the Supplement on behalf of the County. To the  
 33 extent that the Comptroller does not pay the supplement, the Director  
 34 must pay it directly to each eligible applicant.

35 (g) A person who submits a false or fraudulent application, or withholds  
 36 material information, to obtain a payment under this Section has  
 37 committed a Class A violation. In addition, the person must repay the  
 38 County for all amounts improperly paid and all accrued interest and  
 39 penalties that would apply to those amounts as if they were overdue  
 40 taxes. A person who violates this Section is liable for all court costs and  
 41 expenses of the County in any civil action brought by the County to  
 42 recover any payment, interest, or penalty. The County may collect any  
 43 amount due, and otherwise enforce this Section, by any appropriate  
 44 legal action.

45 (h) If all or part of the allowed state tax credit is recaptured under the  
 46 applicable state law, the recipient must repay the County within 60 days  
 47 the portion of any Supplement paid by the County that was based on the  
 48 recaptured credit.

49 **Sec. 2. Expedited Effective Date.**

50 The Council declares that this Act is necessary for the immediate protection of  
 51 the public interest. This Act takes effect on the date when it becomes law.

52 *Approved:*

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54 *Nancy Floreen* *3/17/10*  
Nancy Floreen, President, County Council Date

55 *Approved:*

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57 *Isiah Leggett* *3/26/10*  
Isiah Leggett, County Executive Date

58 *This is a correct copy of Council action.*

59

60 *Linda M. Lauer* *3/29/10*  
Linda M. Lauer, Clerk of the Council Date